

In the Matter of)	No. G 98 - 38
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
EAGLE PACIFIC INSURANCE)	AND ORDER ADOPTING REPORT
COMPANY,)	
A Domestic Insurer.		

BACKGROUND

An examination of the financial condition of **EAGLE PACIFIC INSURANCE COMPANY** (the Company) as of December 31, 1996, was conducted by examiners of the Washington state Office of the Insurance Commissioner (OIC). The company holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions and comments and recommendations was transmitted to the Company for its comments on August 21, 1998.

The Commissioner or a designee has considered the report, the relevant portions of the examiner's work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 19 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **EAGLE PACIFIC INSURANCE COMPANY**.

ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Comments and Recommendations contained in the examination report on pages 2 and 3:

1. The Company is instructed to keep full and adequate accounts and records of its assets, obligations, transactions, and affairs as required by RCW 48.05.280, as noted in Instruction 1 of the examination report.
2. The Company is instructed to comply with RCW 48.07.040 by holding its annual meetings of shareholders and directors in compliance with statutes, its articles of incorporation, and its bylaws, as noted in Instruction 2 of the examination report.
3. The Company is instructed to comply with RCW 48.13.340 concerning the authorization and documentation of investments, as noted in Instruction 3 of the examination report.
4. The Company is instructed to comply with RCW 48.13.350 concerning maintenance of records of investments, as noted in Instruction 4 of the examination report.
5. It is recommended that the Company additionally include in its Board of Director minutes authorizations for officer and director compensation, authorization for payment of bonuses, expansion of business territory, and appointment of its certified public accountant, as noted, in Comments and Recommendation 1 of the examination report.
6. It is recommended that the Company comply with annual statement instruction for calculation and recording bulk and IBNR reserves for allocated loss adjustment expenses, as noted in Comment and Recommendation 2 of the examination report.

ENTERED at Lacey, Washington, this 2nd day of September, 1998.

DEBORAH SENN
Insurance Commissioner

By:

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division